NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this 30

make a single serson

## PAID UP OIL AND GAS LEASE (No Surface Use)

\_\_\_\_ day of May\_

whose addresss is and, DALE PROPERTY SERVICES, L	Elmonos Avenue	For College Toyas 75201	as Lessee All printed portions	of this lease were prepared by the pa	
hereinabove named as Lessee, but all o	other provisions (including the comp onus in hand paid and the covena	letion of blank spaces) wer	e prepared jointly by Lessor and	Lessee. lets exclusively to Lessee the follow	
133 ACRES OF LAND.	MORE OR LESS, BEING I	_от(s) <i>(</i> с	2	, вьоск <u>53</u>	_
OUT OF THE High land Fort Word the IN VOLUME 310	TARRAN		ADDITION, A ACCORDING TO THA AT RECORDS OF TARR	IN ADDITION TO THE CITY ( T CERTAIN PLAT RECORDS	)F EC
in the County of Tarrant, State of Te reversion, prescription or otherwise), for substances produced in association to commercial gases, as well as hydrocar land now or hereafter owned by Lessor Lessor agrees to execute at Lessee's reof determining the amount of any shut-line.	or the purpose of exploring for, de herewith (including geophysicatise thon gases. In addition to the abover which are contiguous or adjacent equest any additional or supplement	veloping, producing and mails ismic operations). The teach re-described leased premise to the above-described lead all instruments for a more com-	narketing oil and gas, along wit sem "gas" as used herein incloses, this lease also covers accru- sed premises, and, in consider complete or accurate description	h all hydrocarbon and non hydrocarbudes helium, carbon dioxide and ot etions and any small strips or parcels ation of the aforementioned cash bon of the land so covered. For the purposer.	he lo
as long thereafter as oil or gas or other otherwise maintained in effect pursuant 3. Royalties on oil, gas and othe separated at Lessee's separator facilitic Lessor at the wellhead or to Lessor's of the wellhead market price then prevailing prevailing price, for production of simproduction, severance, or other excise Lessee shall have the continuing right to such price then prevailing in the same or nearest preceding date as more wells on the leased premises or lare waiting on hydraulic fracture stimulable deemed to be producing in paying of there from is not being sold by Lessee Lessor's credit in the depository design while the well or wells are shut-in or provise being sold by Lessee from another viollowing cessation of such operations terminate this lease.  4. All shut-in royalty payments us be Lessor's depository agent for receiving draft and such payments or tenders to address known to Lessee shall constitute payment hereunder, Lessor shall, at Lessee the seased premises or lands pooled therewith, or pursuant to the provisions of Paragra nevertheless remain in force if Lessee on the leased premises or lands pooled the end of the primary term, or at any operations reasonably calculated to obtain cessation of more than 90 consecutive is production in paying quantities. Lessee shall drill such additional wells of Lessee shall have the right but depths or zones, and as to any or all a proper to do so in order to prudently de unit formed by such pooling for an oil well horizontal completion shall not exceed a completion to conform to any well spaciof the foregoing, the terms "oil well" an prescribed, "oil well" means a well with feet or more per barrel, based on 24 equipment; and the term "horizontal cequipment; and the	or lease requiring no rentals, shall be substances covered hereby are proto the provisions hereof.  To substances produced and saved es, the royalty shall be the first predict at the oil purchaser's transporting in the same field (or if there is milar grade and gravity; (b) for gate and gravity; (b) for gate taxes and the costs incurred by Leto purchase such production at the preference of the field, then in the nearest field in the date on which Lessee commentands pooled therewith are capable of attitude the field, then Lessee shall pay shut-in roy hated below, on or before the end of adultion, but such well or wells are either quantities for the purpose of maintals, then Lessee shall pay shut-in roy hated below, on or before the end of adultion there from is not being sold well or wells on the leased premises or production. Lessee's failure to production there from is not being sold well or wells on the leased premises or production. Lessee's failure to proper payment. If the deposition see's request, deliver to Lessee a lagraph 3, above, if Lessee drills a wir if all production (whether or not if ph 6 or the action of any governor commences operations for reworking the treatment within 90 days after complitive days, and if any such operation from the leased premises or lands for the leased premises or lands pool to formations then capable of production the leased premise fell which is not a horizontal completion in the leased premise in land gray well or operate the leased premise fell which is not a horizontal completion means an oil well in which in morphetion means an oil well in which production the tenducted in the land of the land of the land of	e in force for a primary term duced in paying quantities thereunder shall be paid by the paid by part of the leased premietther before or after the cas, whether or not similar pation shall not exceed 80 are prescribed by applicable by applicable by applicable or permitted by a prescribed by applicable or the horizontal components the horizontal components the horizontal components.	from the leased premises or from the lease shall have the continuing in the same field, then in the gas) and all other substance the sale thereof, less a proping or otherwise marketing such price paid for production of simulting price) pursuant to compare er; and (c) if at the end of the person of the substances covered the from is not being sold by Lest and of 90 consecutive days substances covered to from is not being sold by Lest and of 90 consecutive days substance is otherwise being the case is otherwise being the shall render Lessee flable for this lease is otherwise being the shall render Lessee flable for the shall render Lessee is about the shall render Lessee is and other this lease is not other shall be not the shall render the shall be of the shall render the shall be not the shall render to perator would drill on the leased premises or land therewith. There shall be not sees or interest therein with any commencement of production, the shall be not the shall a larger unit may be form any governmental authority having law or the appropriate govern and gas well means a well we matter the gross completion into the gross	lyears from the date hereof, and om lands pooled therewith or this lease (a) For oil and other liquid hydrocarbon, to be delivered at Lessee's option and the production to be delivered at Lessee's option ling right to purchase such production to enearest field in which there is such a covered hereby, the royalty shall pricionate part of ad valorem taxes at gas or other substances, provided the purchase contracts entered into rimary term or any time thereafter one hereby in paying quantities or such we see, such well or wells shall neverthelich well or wells are shut-in or production payment to be made to Lessor or wersary of the end of said 90-day period in the amount due, but shall not operate until the end of the 90-day period in the amount due, but shall not operate as above or its successors, which say be made in currency, or by check on the depository or to the Lessor at the or for any reason fall or refuse to acc depository agent to receive payments reginafter called "dry hole") on the least including a revision of unit boundaring being maintained in force it sherwise obtaining or restoring production. It gaged in drilling, reworking or any of e of such operations are prosecuted was covered hereby, as long thereafter roducing in paying quantities hereund in paying quantities hereund is pooled therewith, or (b) to protect covenant to drill exploratory wells or a other lands or interests, as to any or whenever Lessee deems it necessary ect to such other lands or interests. To olerance of 10%, and for a gas well of a for an oil well or gas well or horizong jurisdiction to do so. For the purpormental authority, or, if no definition is the animital gas-oil ratio of 100,000 custorial in facilities or equivalent test rual in the reservoir exceeds the vertical in the reservoir exceeds the	e is series on the series of t
component thereof. In exercising its p Production, drilling or reworking operati- reworking operations on the leased pre- net acreage covered by this lease and Lessee. Pooling in one or more instan- unit formed hereunder by expansion of prescribed or permitted by the governmaking such a revision, Lessee shall fill leased premises is included in or exclude be adjusted accordingly. In the absence a written declaration describing the unit	coling rights hereunder, Lessee sh tions anywhere on a unit which link mises, except that the production o included in the unit bears to the to ces shall not exhaust Lessee's pool r contraction or both, either before nental authority having jurisdiction, le of record a written declaration de ded from the unit by virtue of such r e of production in paying quantities	all file of record a written of studes all or any part of the nowhich Lessor's royalty is bial gross acreage in the usual ing rights hereunder, and learn or after commencement of or to conform to any produce scribing the revised unit are revision, the proportion of user from a unit, or upon perma	declaration describing the unit is to the leased premises shall be the calculated shall be that proportinit, but only to the extent such tessee shall have the recurring f production, in order to confortuctive acreage determination must stating the effective date of must production on which royaltiement cessation thereof, Lessee	and stating the effective date of poolinated as if it were production, drilling ion of the total unit production which a proportion of unit production is sold right but not the obligation to revise and to the well spacing or density patt ade by such governmental authority, evision. To the extent any portion of a re payable hereunder shall therea may terminate the unit by filing of rec	ng the by any eri the fte

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royaltles and shut-in royaltles payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royaltles hereunder, Lessee may pay or tender such shut-in royaltles to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipellines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oit, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, materi

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offers of the offer of the primary terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination to remedy the breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore ment under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes,

mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

uted in counterparts, each of which is deemed an original and all of which only constitute one original. 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

natory's

LESSOR (WHETHER ONE OR MORE)			
Gahn Kacara By: John hogers, a single person	_	Ву:	
STATE OF LEVES	ACKNOWLED		
This instrument was acknowledged before me on the 30 by:	day of	May	, 2008,
JARWIN N. SCOTI Notary Public, State of Texas My Commission Expires October 31, 2010			N. J.
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of		, 2008,



## DALE RESOURCES LLC 2100 ROSS AVE SUITE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 06/13/2008 09:17 AM Instrument #: D208226359

LSE 3 PGS

D208226359

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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